

Message Text

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44

ACTION EB-11

INFO OCT-01 AF-10 ISO-00 AID-20 CIAE-00 COME-00 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 AGR-20 PA-04 PRS-01

USIA-15 INT-08 SCEM-02 SCI-06 GSA-02 STR-08 DRC-01

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E.O. 11652: N/A

TAGS: ECON, TS

SUBJ: ECONOMIC EFFECTS OF RECENT INCREASES OF
EXPORT PRICES

REF: TUNIS 6838 AND 6639

1. ARTICLE IN PARTY NEWSPAPER L'ACTION OF JANUARY 6 FOR FIRST TIME PUBLICLY RECOGNIZES VAST IMPROVEMENT IN TUNISIA'S ECONOMIC PROSPECTS AS RESULT OF PRICE INCREASES OF MAJOR TUNISIAN EXPORTS AT END OF 1973. ARTICLE NOTES THAT BECAUSE PRICE OF CRUDE OIL HAS "QUADRUPLD", VALUE OF TUNISIA'S PETROLEUM EXPORTS IN 1974 MAY JUMP FROM \$85 MILLION IN 1972 TO \$340 MILLION IN 1974, GREATER THAN TOTAL VALUE OF TUNISIAN EXPORTS IN 1972. IN ADDITION, INCREASE OF PRICE OF PHOSPHATES, ACCORDING TO ARTICLE, SHOULD PERMIT EARNINGS OF \$180 MILLION IN 1974 FROM EXPORTS OF PHOSPHATES AND DERIVATIVES.

2. ARTICLE NOTES THAT INCREASED VALUE OF EXPORTS WILL PROBABLY RESULT IN SURPLUS IN TUNISIA'S TRADE BALANCE IN
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1974 FOR THE FIRST TIME SINCE 1958. PHOSPHATE EARNINGS SHOULD ALSO SOLVE CHRONIC FINANCIAL PROBLEMS OF PHOSPHATE

INDUSTRY AND PERMIT GOT TO INCREASE BENEFITS TO PHOSPHATE WORKERS. ARTICLE FURTHER RECOMMENDS THAT, BECUASE OF "ABUNDANCE OF MEANS OF EXTERNAL PAYMENTS", IT IS NOT IN TUNISIA'S INTERESO ZI OBTAIN SHORT OR MEDIUM TERM EXTERNAL CREDITS TO FINANCE CURRENT IMPORTS OR DEVELOPMENT PROJECTS.

3. COMMENT: OPTIMISTIC FIGURES NOTED IN ARTICLE APPEAR GENERALLY IN LINE WITH EMBASSY CALCULATIONS OR PROBABLE BENEFITS TO TUNISIA IN 1974 OF RECENT PRICE INCREASAR. THIS ARTICLE REFLECTS INCREASING REALIZATION BY MANY KNOWLEDGEABLE TUNISIANS THAT CHANGING STRUCTURE OF WORLD PRICES CREATING NEW ECONOMIC SITUATION FOR DEVELOPING COUNTRIES LIKE TUNISIA WHO POSSESS EVEN LIMITED QUANTITIES OF PETROLEUM OR OTHER RAW MATERIALS IN WORLD DEMAND. SEELYE

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